

## UNITED STATES DISTRICT COURT

for the

Northern District of California

**FILED**

Jul 20 2022

Mark B. Busby  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLANDUnited States of America  
v.

Kristina Lansang Gloria

Case No. 4:22-mj-70952-MAG

*Defendant(s)***CRIMINAL COMPLAINT**

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of August 17, 2020 in the county of Alameda in the  
Northern District of California, the defendant(s) violated:*Code Section*

18 U.S.C. § 1343

*Offense Description*

Wire Fraud

Maximum twenty years' imprisonment (18 U.S.C. § 1343); \$250,000 fine (18 U.S.C. § 3571); maximum term of supervised release: 3 years (Class C felony – 18 U.S.C. § 3583); \$100 special assessment (18 U.S.C. § 3013).

This criminal complaint is based on these facts:

See attached Affidavit of Agent Amber Potts

☒ Continued on the attached sheet.Approved as to form Alexis James  
AUSA Alexis James/s/ Amber Potts*Complainant's signature*

Special Agent Amber Potts, DOL-OIG

*Printed name and title*

Sworn to before me by telephone.

Date: July 20, 2022City and state: Oakland, CA*Judge's signature*

Honorable Donna M. Ryu, Magistrate Judge

*Printed name and title*

**AFFIDAVIT IN SUPPORT OF AN APPLICATION FOR A CRIMINAL COMPLAINT  
AND ARREST WARRANTS**

I, Amber J. Potts, Special Agent of the United States Department of Labor, Office of Inspector General, being duly sworn, depose and hereby declare the following:

**INTRODUCTION**

1. I submit this affidavit in support of an application under Rule 4 of the Federal Rules of Criminal Procedure for a criminal complaint and arrest warrant authorizing the arrest of Kristina Lansang **GLORIA** and Mark Allan Rivera **SAGALA** for committing wire fraud, in violation of 18 U.S.C. § 1343, on August 17, 2020, in the Northern District of California.

**SOURCES OF INFORMATION**

2. This affidavit is submitted for the limited purpose of securing a criminal complaint and two arrest warrants. I have not included every fact known to me concerning this investigation. Instead, I have set forth only the facts necessary to establish probable cause that violations of the federal laws identified above have occurred.

3. I have based my statements in this affidavit on my training and experience, personal knowledge of the facts and circumstances obtained through my participation in this investigation, information provided by victims, information provided by other agents and law enforcement officers, and information provided by records and databases. Unless specifically indicated otherwise, all conversations and statements described in this affidavit are related in substance and in part only.

**AFFIANT BACKGROUND**

4. I am a Special Agent (“SA”) with the United States Department of Labor (“DOL”), Office of Inspector General (“OIG”), Office of Investigations-Labor Racketeering & Fraud in San Francisco, California, and have been so employed since January 4, 2021.

5. In May 2009, I earned a Juris Doctorate from the University of Cincinnati College of Law. On November 9, 2009, I was admitted to practice law in the State of Ohio, inactive effective December 29, 2020.

6. Prior to DOL-OIG, I was an investigator for the DOL, Employee Benefits Security Administration from June 6, 2010 through January 3, 2021. I am a graduate of the Federal Law Enforcement Training Center (“FLETC”) in Glynco, Georgia. As part of my training at FLETC, I successfully completed courses in courtroom and physical evidence, digital evidence, federal constitutional and criminal law, interviewing techniques, investigative information sources and financial analysis, and arrest techniques. As a DOL SA, my duties include investigating fraud, waste, and abuse of various DOL programs. I have participated in the execution of search and arrest warrants.

7. I am an “investigative or law enforcement officer of the United States” within the meaning of Title 18, United States Code, Section 2510(7), that is, an officer of the United States who is empowered by law to conduct investigations, execute search warrants, and make arrests for offenses enumerated in Title 18, United States Code, Section 2516, including the aforementioned offenses.

### **APPLICABLE STATUTES**

8. Section 1343 of Title 18 of the United States Code provides “[w]hoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be . . . imprisoned not more than 20 years.”

### **FACTS SUPPORTING PROBABLE CAUSE**

9. The DOL-OIG, Federal Bureau of Investigation (“FBI”), Newark, California Police Department (“NPD”), and the California Employment Development Department (EDD) are conducting a joint investigation of **GLORIA** and **SAGALA**, and co-conspirators known and unknown to investigators. The investigation was initiated after the owner of Postal Annex, a business located in Newark, California, alleged that one rented mailbox at their store was

receiving many pieces of mail from the EDD addressed to different people.

10. An NPD detective initiated an investigation in or around July 2020, through which he identified **GLORIA** as the individual in control of the mailbox. An EDD Investigator further identified 66 Unemployment Insurance claims associated with this mailbox, 51 of which were paid in the amount of approximately \$502,228.<sup>1</sup> A federal investigation showed that from approximately June 2020 to August 2020 **GLORIA** and/or **SAGALA** likely used at least three other rented mailboxes in the Northern District of California to conduct this scheme, with hundreds of thousands dollars paid in total on those claims.

#### **A. Background on Unemployment Insurance**

11. Unemployment Insurance (“UI”) is a state-federal program that provides temporary financial assistance to eligible workers who become unemployed through no fault of their own. Although state workforce agencies (“SWAs”) administer their respective UI programs, they must do so in accordance with federal laws and regulations. Each state sets its own additional requirements for eligibility, benefit amounts, and length of time benefits can be paid. Generally, UI weekly benefit amounts are based on a percentage of the worker’s earnings over a base period. In the State of California, EDD administers the UI program.

12. In 2020, in response to the COVID-19 pandemic, federal and state governments greatly expanded UI benefits. The federal funds for UI benefits originate from an operating center in either Dallas, Texas; or East Rutherford, New Jersey. The payment path always includes routing through one of these two centers for processing. After that, the payment path then goes to one of the following four different locations, depending on the type of payment being made, before reaching EDD in California: Atlanta, Georgia; Minneapolis, Minnesota; East Rutherford, New Jersey; or Dallas, Texas.

13. In California, a UI claim can be filed online on the EDD website. When an

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<sup>1</sup> References herein to amounts “paid” on unemployment insurance claims refers to the amounts transferred from EDD to the Bank of America accounts associated with the relevant claims. In some instances, it appears that the true owner of a claim was able to obtain control over an EDD debit card that was originally sent to a mailbox associated with **GLORIA** and **SAGALA**.

individual files a UI claim, the EDD automatically maintains certain information regarding the filing of the claim. This information includes the date and time the claim was submitted, the name of the person for whom the claim was filed, and the IP address of the computer, or ISP account, that was used to file the claim.

14. UI claimants must answer various questions to establish their eligibility for UI benefits. Claimants must provide their name, Social Security Number, and mailing address. The claimants must also identify a qualifying occupational status and/or COVID-19 related reason for being out of work.

15. After EDD accepts a UI claim, EDD sends claimant information to Bank of America. Bank of America's receives that information through servers located in Santa Clara County, California. EDD typically deposits UI funds every two weeks to an Electronic Bill Payment ("EBP") debit card administered by Bank of America. The funds are loaded onto EBP debit cards issued by Bank of America through servers located in Virginia and Colorado, which are managed by Bank of America's payment processor, Visa Debit Processing Services, Inc. ("Visa DPS"). Thereafter, the debit cards are mailed via the U.S. Postal Service to UI beneficiaries through mail processing centers in Texas, Illinois, and Florida to the claimant at the address they provide in their UI claim with EDD.

16. Claimants can activate their debit card over the phone or online. To activate a card, a claimant must create a Bank of America unemployment user profile, which captures certain data including, but not limited to, the EDD claim number, claimant Social Security Number, and address where card was mailed. Once activated, all EBP debit card transactions, regardless of location, are handled through Visa DPS servers in Virginia or Colorado.

17. When receiving regular UI benefits, claimants must complete a Continued Claim Form (DE 4581) and certify every two weeks, under penalty of perjury, that they remain unemployed and eligible to receive UI benefits. EDD authorizes and deposits payment to the EBP debit card after it receives the Continued Claim Form. On or about April 23, 2020, California Secretary of Labor Julie Su directed the EDD to temporarily suspend the requirement

for UI claimants to provide unemployment certifications (Continued Claim Forms) in order to prevent any unnecessary delays in dispensing benefit payments.

18. When the EDD needs to verify the identity of the claimant, an “ID Alert” is issued on a UI claim. When an ID Alert has been issued, the EDD sends the claimant a Request for Information (Form DE 1326E). The claimant must provide a clear copy of a government-issued ID and social security verification. Since September 2020, the EDD has outsourced the identity verification process to a private vendor called ID.me.

19. The claimant must visit EDD’s website and login to their account. The claimant is then prompted to login to, or create a new, ID.me account. On the ID.me website, the claimant must verify their email address, and submit a clear copy of a government-issued ID and social security verification. The claimant is then prompted to submit a “selfie” of their face. With this information, the EDD will determine the claimant’s eligibility for UI benefits. The reasons why the claimant may be ineligible for UI benefits are the following: (a) Claimant did not respond to the DE 1326E; or (b) Documents provided were not clear enough to make an eligibility determination; or (c) Documents provided were insufficient and did not prove the claimant’s identity.

20. During much of 2020, weekly UI benefits typically ranged from \$40 to \$450, not including federal CARES Act funding providing an additional \$600 a week. In order to receive the maximum weekly benefit of \$450, a claimant must have earned \$11,674.01 or more in the highest quarter of the claimant’s base employment period.

21. Based on my training and experience, I know that criminal actors:
- a. Defraud the UI program by using stolen personally identifiable information (“PII”) to file UI claims.
  - b. Hamper law enforcement’s ability to trace the fraud back to the suspects by:
    - i. Use addresses other than the suspect’s home address;
    - ii. Use stolen or fake identities to register mailboxes and cellphones;
- and

- iii. Provide the EDD a claimant address on the initial UI claim, but then direct Bank of America to mail the UI debit card to a different address.

**B. Investigation Initiation**

22. On or about July 27, 2020, NPD responded to a call about possible identity theft at a Postal Annex located at 34972 Newark Blvd, Newark, CA. One of the owners of Postal Annex told NPD that another individual told the owner that the individual's EDD debit card was being mailed to the Postal Annex at 34972 Newark Boulevard, #63, Newark, CA ("Box 63") without the individual's consent. The owner told NPD that he/she noticed that numerous pieces of EDD mail had been addressed to Box 63 with different recipient names on the envelopes. The owner provided NPD with a copy of the driver's license that had been provided to Postal Annex in connection with the application to rent Box 63, which was in a name referred to herein as ZV. The Postal Annex application lists the California driver's license number provided as E1xxxx57, with an expiration date of April 21, 2023. A copy of the driver's license provided to Postal Annex is below:



23. NPD conducted a California DMV records check on the driver's license number provided to Postal Annex. NPD discovered that the name and address on the driver's license matched DMV records, but that the date of birth and photo on record with DMV were different



than what was displayed on the driver's license. The photo on record with DMV depicts a woman who appears to be of Middle Eastern descent, in her late 50s, with short hair. The photo on the driver's license provided to Postal Annex, however, depicts a woman who appears to be of Asian descent and significantly younger.

24. On or about July 29, 2020, NPD detectives conducted covert surveillance at Postal Annex to locate and identify the suspect. They observed an Asian woman with black hair (with blonde highlights at the bottom) resembling the woman in the driver's license photo enter Postal Annex. After the woman entered the store, one of the detectives received a phone call from one of the Postal Annex workers, who stated that the suspect was in the store. The detective then saw the same woman exit Postal Annex, walk to a gray Jeep Commander bearing California license plate ending in 817 ("the JEEP"), and leave the parking lot. Because the woman quickly exited the store without collecting the mail, the detective concluded that she heard the storeowner speaking on the phone.

25. The detectives ran a records check on the license plate of the JEEP and followed the JEEP as it exited the area. The records check revealed the JEEP was registered to an address on Queen Anne Drive in Union City, California to an older family member of **GLORIA**. The detectives followed the JEEP to an address on Lisa Drive in Union City, California. Detectives conducted DMV and public records searches and identified DMV records for **GLORIA** related to the Queen Anne Drive address in Union City. **GLORIA**'s address on file with the DMV was the address on Lisa Drive in Union City, California. Detectives viewed the DMV photograph on file for **GLORIA** and concluded it appeared to depict the same person they saw leave the Postal Annex and then drive the JEEP.

### **C. The EDD/Federal Investigation**

26. NPD notified EDD of its investigation, and EDD identified UI claims related to Box 63 and referred the case to the DOL-OIG. In its investigation, EDD identified approximately 66 UI claims that were filed between approximately June 2020 and July 2020 that listed Box 63 as the claimant address. EDD issued payments on approximately 51 of the 66



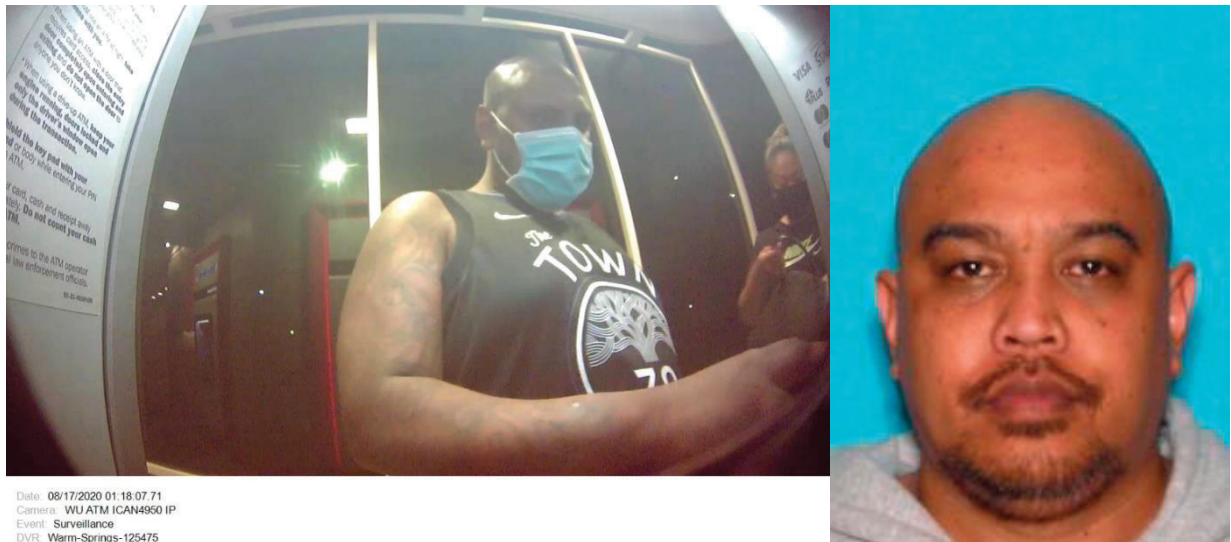
claims for a total of \$502,228 in UI benefits.

27. After NPD identified **GLORIA** at the Postal Annex, the investigation identified **SAGALA** as an associate of **GLORIA**, who also resides at the address on Lisa Drive in Union City.

28. EDD selected a sample of claims linked to Box 63 for review and requested Bank of America transaction records and ATM surveillance footage. All of the UI claims were filed in the names of individuals other than **GLORIA** and **SAGALA**. Bank of America provided ATM surveillance photos from debit card activity from some of the claims associated with Box 63. I reviewed the photographs provided, and with the assistance of NPD, I believe that the photographs depict the **GLORIA** and/or **SAGALA** using the debit cards to withdraw funds.

**a. Charged Conduct**

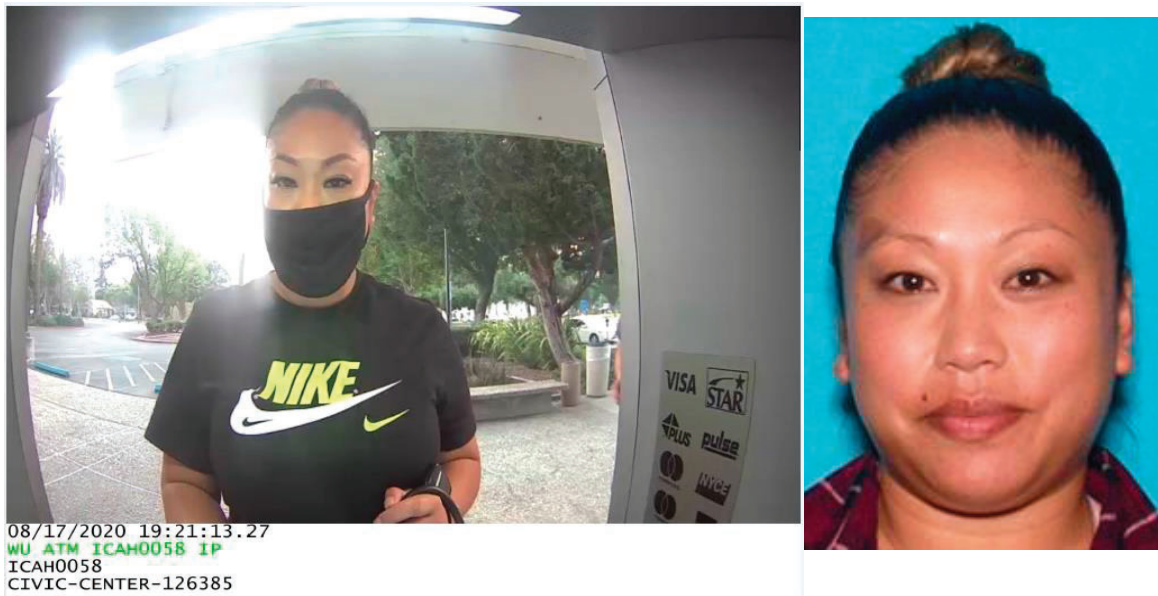
29. On or about August 17, 2020, **SAGALA** used an EDD debit card in the name of MM to withdraw \$1000 from a Bank of America ATM located in the Northern District of California. A screen capture from the surveillance footage is copied below on the left. The photograph of **SAGALA** on record with DMV is copied below on the right:



30. The Bank of America screen capture appears to show **SAGALA** using an ATM on or about August 17, 2020 to withdraw fraudulently obtained UI funds in the name of MM.

On or about July 15, 2022, federal agents interviewed suspected identity theft victim previously identified as MM, an older white individual. MM confirmed his/her Social Security Number and date of birth used in the UI claim filed in his/her name. MM said s/he did not file for UI benefits and never received any mail from EDD for UI benefits. MM did not share his/her personal identifying information with anyone to use for UI benefits. Federal agents showed **GLORIA**'s and **SAGALA**'s DMV photograph and MM confirmed that MM did not know or give permission to either person to file UI benefits or use any debit cards.

31. Later, on or about August 17, 2020, **GLORIA** used an EDD debit card in the name of JO to withdraw \$1000 from a Bank of America ATM located in the Northern District of California. A screen capture from the surveillance footage is copied below on the left. The photograph of **GLORIA** on record with DMV is copied below on the right:



32. The Bank of America screen capture appears to show **GLROIA** using an ATM on or about August 17, 2020 to withdraw fraudulently obtained UI funds in the name of JO. On or about March 20, 2022, federal agents interviewed suspected identity theft victim previously identified as JO, an older white individual. JO confirmed his/her Social Security Number and date of birth used in the UI claim filed in his/her name. JO said s/he did not file for UI benefits and never received any mail from EDD for UI benefits. JO did not share his/her personal

identifying information with anyone to use for UI benefits. Federal agents showed **GLORIA**'s and **SAGALA**'s DMV photograph and JO confirmed that JO did not know or give permission to either person to file UI benefits or use any debit cards.

33. As noted above, UI funds are loaded onto the EDD debit cards issued by Bank of America and managed by Visa DPS through servers located in Virginia and Colorado. Those same servers process all EDD debit card transactions. Therefore, the above ATM withdrawals made in California using EDD debit cards in the names of MM and JO were transmitted via interstate wire communications.

**b. Related Conduct**

34. A review of the records received by EDD appear to show **GLORIA** and/or **SAGALA** using ATMs to withdraw fraudulently obtained UI funds on the following occasions:

| <b>Transaction Date</b> | <b>UI Claimant Name / Suspected ID Theft Victim</b> | <b>Person(s) at ATM</b>  |
|-------------------------|---|--------------------------|
| 8/12/2020               | DC  | <b>GLORIA</b>            |
| 8/17/2020               | MM  | <b>GLORIA and SAGALA</b> |
| 8/17/2020               | JO  | <b>GLORIA</b>            |
| 8/22/2020               | JO  | <b>GLORIA</b>            |
| 8/23/2020               | DC  | <b>GLORIA</b>            |

35. On or about February 10, 2021, DOL-OIG special agents visited the Postal Annex store in Newark, California and spoke to one of the storeowners. He/She stated that the renter of Box 63, who based on the above I believe to be **GLORIA**, had not been seen in the store in several months. He/She then provided the special agents with a copy of the application to rent Box 63. The phone number listed on this application was xxx-xxx-7527. Phone number xxx-xxx-7527 was used as a recovery phone number for a Google email account in the name of **GLORIA**. **GLORIA** used this same Google email account on her own UI claim with EDD.

36. On or about March 20, 2022, federal and state agents interviewed suspected

identity theft victim previously identified as ZV, an older Persian individual. ZV's name and address were used in connection with the application to rent Box 63 and the subscriber information for Verizon Wireless phone number xxx-xxx-7527. ZV stated she has no affiliation with Box 63 or Verizon Wireless phone number xxx-xxx-7527. ZV further stated that she filed a police report with the Santa Clara County Sheriff's Office for identity theft because her information has been used without her consent for department store credit cards, Verizon Wireless accounts, and T-Mobile accounts.

**c. GLORIA and SAGALA'S Arrest in Unrelated Investigation**

37. On or about April 23, 2021, FPD arrested both **GLORIA** and **SAGALA** in connection with an unrelated robbery investigation stemming from a March 11, 2021 robbery of a 7-Eleven store in Fremont, California. FPD obtained evidence, including surveillance footage, showing that **GLORIA** and **SAGALA** were with a third individual who robbed the 7-Eleven at gunpoint.

38. On the day of their arrest, FPD searched their vehicle and found evidence, including but not limited to the following:

- a. Six checks in the names of individuals other than **GLORIA** and **SAGALA**;
- b. A green file folder containing multiple items with personal identifying information for several individuals other than **GLORIA** and **SAGALA**;
- c. Sixty grams of suspected methamphetamine; and
- d. Two suspected methamphetamine pipes.

39. FPD also found a brown purse in the vehicle that **GLORIA** claimed belonged to her. FPD found two LG cellphones inside the purse, Subject Device 1, a LG Stylo 6 with IMEI 354525111630164 and Subject Device 2, a LG Stylo 6 with IMEI 354525111664627. The purse also contained a wallet that had **GLORIA**'s California driver's license in it.<sup>2</sup> FPD seized a third device, Subject Device 3, Samsung Galaxy S10e with IMEI 354425101553023 from **SAGALA**

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<sup>2</sup> The wallet also contained a driver's license of another individual.

during the arrest.<sup>3</sup> Federal agents obtained a search warrant for the devices recovered during this arrest based on the EDD fraud investigation.

**G. Electronic Search Warrant**

40. On or about January 11, 2022, the Honorable Donna M. Ryu, U.S. Magistrate Judge granted an electronic search warrant for Subject Device 1, Subject Device 2, and Subject Device 3. Federal agents executed the electronic search warrant on or about January 12, 2022. Pursuant to the search warrant, federal agents imaged the cell phones and reviewed the electronic data.

41. On **GLORIA**'s cellphones, federal agents discovered evidence of identity theft, UI fraud, and other criminal activity. **GLORIA**'s cellphone also contained text conversations discussing Bitcoin, a cryptocurrency, with at least two individuals where one of the text conversations also mentions identity theft and a dark web website that specializes in selling stolen payment card information.

42. Federal agents discovered numerous images of the following in the names of individuals other than the **GLORIA** and **SAGALA** on **GLORIA**'s cellphones:

- a. Personal identifying information handwritten in a notebook;
- b. EDD's Benefit Programs Online Account profiles;
- c. Alaska, Colorado, Delaware, Maryland, Michigan, and Texas UI mail and online account profiles;
- d. EDD mail addressed to Box 400105; and
- e. EDD debit cards.

43. Specifically related to UI fraud, federal agents discovered the following on

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<sup>3</sup> The FPD police report for the April 23, 2021 arrest of the **GLORIA** and **SAGALA** incorrectly described the two cell phones seized from **GLORIA**'s purse as iPhones. FPD later determined during the course of the investigation that Subject Device 1 and 2 were LG cell phones and not iPhones as described in the police report. The FPD police report also does not mention that **SAGALA**'s cell phone was seized and where his cell phone was located when it was seized. However, during the EDD/Federal Investigation, FPD confirmed Subject Device 1, 2, and 3 were seized as a result of the April 23, 2021 arrest of **GLORIA** and **SAGALA**.

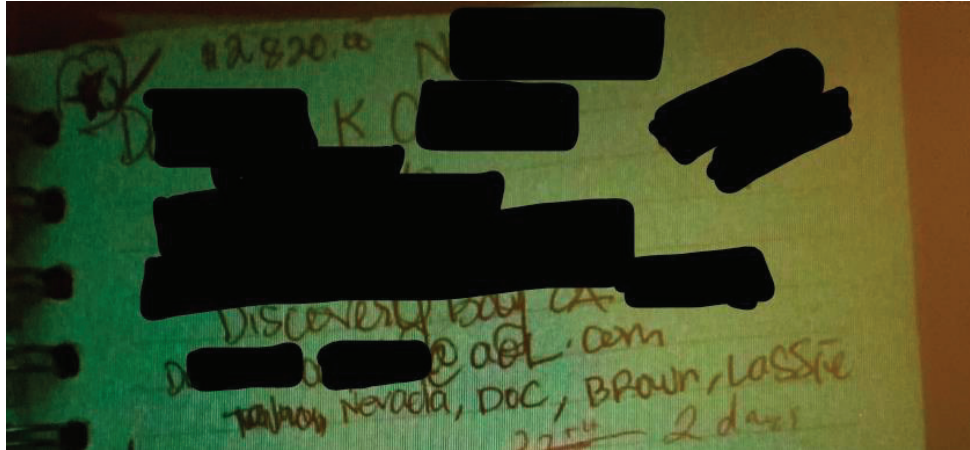


**GLORIA's** cell phones:

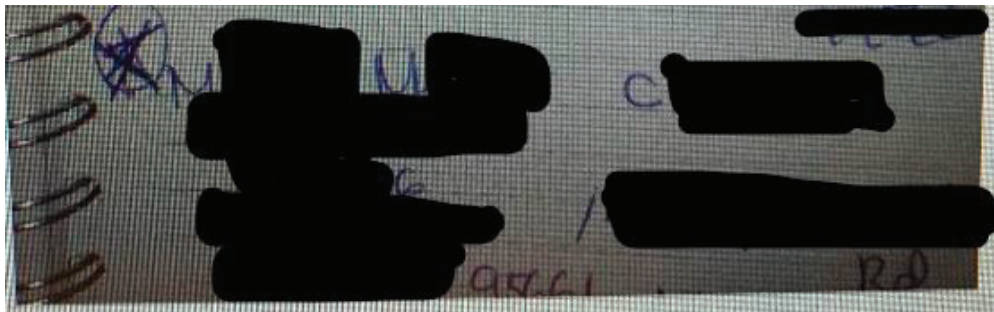
- a. Emails from EDD and ID.me addressed to individuals other than **GLORIA** and **SAGALA**.
- b. A picture of identity theft victim ZV's personal identifying information handwritten in a notebook.
- c. The below California driver's license in the name of identity theft victim ZV, with ZV's address, and photo of an Asian female matching the description of **GLORIA**. The driver's license number and expiration date in the below image match the California driver's license number E1xxxx57 and expiration date of April 21, 2023 written on the Postal annex application for Box 63.



- d. The below image of handwritten notes containing personal identifying information of identity theft victim DC, referenced in paragraph 34 used to file the EDD UI claim in the name of DC.

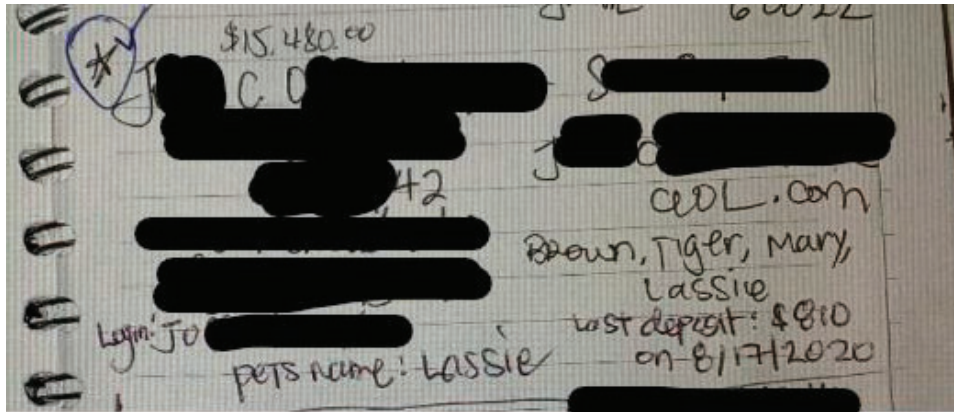


- e. The below image of handwritten notes containing personal identifying information of identity theft victim MM, referenced in paragraphs 29 and 30, used to file the EDD UI claim in the name of MM.



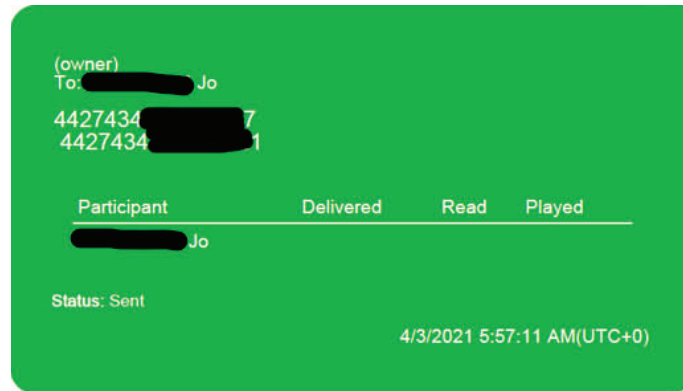


- f. The below image of handwritten notes containing personal identifying information of identity theft victim JO, referenced in paragraphs 31 and 32, used to file the EDD UI claim in the name of JO. The notes include “pets name: Lassie.” The Bank of America Security Question and Security Answer for the Bank of America EDD Debit Card in the name of JO is “What is your pet’s name?” and “Lassie.”

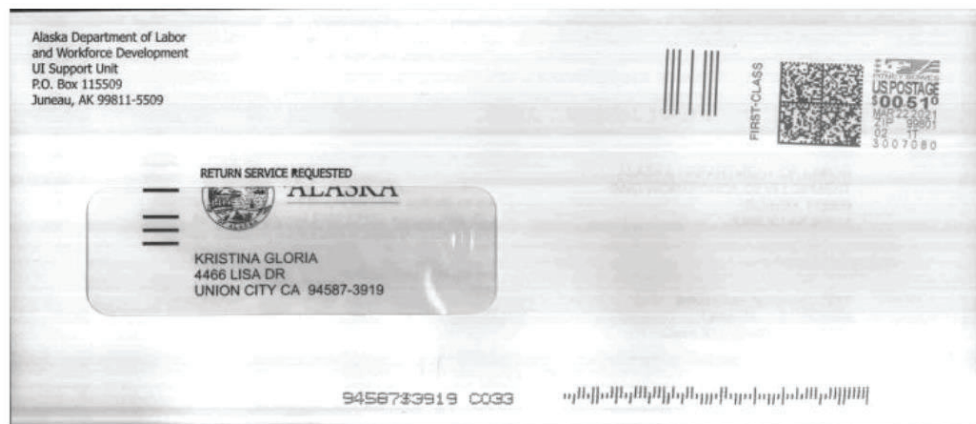


44. On **SAGALA**’s phone, federal agents found evidence of identity theft, unemployment insurance fraud, and other criminal activity including the following:
- Images of typed names, credit card numbers, three-digit card security code (also known as card verification value), expiration dates, and zip codes of individuals other than **GLORIA** and **SAGALA**;

- b. A text conversation between **SAGALA** and an individual identified in his phone as “Jo” where **SAGALA** provided “Jo” with two EDD Bank of America debit card numbers:



- c. An image of mail from the Alaska Department of Labor and Workforce Development UI Support Unit addressed to **GLORIA** at their shared residence on Lisa Drive in Union City, California.



### REQUEST TO SEAL

45. I further request that the Court order that all papers in support of this application, including the affidavit and arrest warrant, be sealed until further order of the Court. These documents discuss an ongoing criminal investigation that is neither public nor known to all of the targets of the investigation. Premature disclosure of the contents of this affidavit and related documents may have a significant and negative impact on the continuing investigation and may

severely jeopardize its effectiveness.

46. Accordingly, there is good cause to seal these documents because their premature disclosure may give subjects an opportunity to flee from prosecution, destroy or tamper with evidence, change patterns of behavior, notify confederates, or otherwise seriously jeopardize the investigation.

**CONCLUSION**

47. Based on the information set forth above, I submit that there is probable cause to believe that Kristina Lansang **GLORIA** and Mark Allan Rivera **SAGALA**, each committed wire fraud, in violation of 18 U.S.C. § 1343, in the Northern District of California on or about August 17, 2020.

48. Based on my information and belief, I declare under penalty of perjury that all the statements in this affidavit are true and correct.

/s/ *Amber J. Potts*

Amber J. Potts  
Special Agent  
U.S. Department of Labor

Sworn to before me over the telephone and signed by me pursuant to Fed.R.Crim.P. 4.1 and 4(d) on this 20th day of July 2022. This application and warrant are to be filed under seal.



HONORABLE DONNA M. RYU  
United States Magistrate Judge